

INFORMATION LETTER

Not for
Publication

NATIONAL CANNERS ASSOCIATION

For Members
Only

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HOUSE PASSES TAX BILL TO AID IN RECONVERSION

Would Increase Excess Profits Tax Exemption to \$25,000 and Speed up Refunds

The House has passed the bill (H. R. 3633) designed to give relief to small corporations from the excess profits tax and to improve the cash position of business to meet reconversion costs by speeding up tax refunds. Passage was facilitated by the statements of House leaders that prompt action will permit the benefits of the bill to come into operation by September of this year.

The bill, as approved by the House on July 6, would increase the excess profits tax exemption from \$10,000 to \$25,000 and would speed up refunds of taxes. This latter purpose would be accomplished in several different ways: By permitting the 10 per cent postwar excess profits tax credit to be taken currently for 1944 and subsequent tax years; by making outstanding postwar refund bonds for this excess profits credit payable at the owner's option on January 1, 1946; by establishing a procedure to speed up refunds for tax adjustments resulting from the carry-back of net operating losses and unused excess profits credits; and by providing a procedure to speed up refunds resulting from shortened amortization periods for emergency facilities. The bill also carries a special provision concerning railroad reorganizations.

The bill, like most tax legislation, is highly technical. Some of its main points may, however, be briefly summarized.

The full increase of the excess profits tax exemption to \$25,000 would not become effective until January 1, 1946. However, corporations whose fiscal year begins in 1945 and ends in 1946 would receive a pro rata exemption for the part of the fiscal year falling in 1946. It is estimated that, under this increase, about 12,000 corporations would be relieved to some extent from excess profits taxes.

The 10 per cent postwar credit for corporations paying excess profits taxes would be made immediately available against tax liabilities for tax years beginning after January 1, 1944. Corporations holding postwar credit bonds

would be able to cash them on and after January 1, 1946.

An important provision, with complicated details, concerns refunds resulting from carry-back of net operating losses and unused excess profits credits. If a corporation expects a carry-back arising from its 1946 operations, it may, under the bill, apply for an extension of time to pay taxes due for a taxable year ending on or after September 30, 1945. This extension would exist until the date for filing the tax return for the year in which the carry-back is expected to arise. This provision therefore would provide for a deferment of current tax payments on the basis of expected carry-backs.

In addition, where the net loss or unused excess profits carry-back has already occurred, a taxpayer, including an individual as well as a corporation if only a net loss carry-back is involved, could apply for prompt refund of amount due to the carry-backs. This would be done by an application for tentative adjustment caused by carry-backs arising.

(Concluded on page 8699)

STATUS OF OPA PROGRAM FOR PRICING 1945 PACKS

Davis Again Disapproves Inclusion of Fringe Increases in Labor Cost Determinations

The Office of Price Administration has been advised by Economic Stabilization Director Davis, that he has approved their determination of the increase in basic wage rates in the various areas; but that he has disapproved the inclusion of the increased labor costs resulting from "fringe" wage adjustments. (See INFORMATION LETTER No. 1042, page 8699.) Mr. Davis still regards night shift differentials and the reduction of exemption from overtime as "fringe" increases and not as increases in basic wage rates.

It is understood that the OPA proposal has been approved for all areas except for California and for the "fringe" issues in the Northwest. In California no adjustment for increased wage costs is provided for the 1945 pack. However, this in no way affects the proposed adjustment in 1944 pack sales to government agencies under

(Concluded on page 8699)

SUGAR DENSITIES CHANGED FOR FIVE CANNED FRUITS

OPA Cuts Sugar for Fruit Cocktail and Sweet Cherries, Allots More to Elberta Peaches

In Amendment 29 to Ration Order 3, effective July 11, the Office of Price Administration has made changes in the density factors for certain canned fruits. The action affects canned plums, prunes, cherries, Elberta peaches, and fruit cocktail.

Under the amended sugar rationing order, the maximum density of syrup for Elberta peaches is fixed at 23.9 degrees, while for all other canned peach varieties it remains at 18.9 degrees. The amendment also reduces the permitted maximum density of syrup used in fruit cocktail from 18.0 to 17.9 degrees and the maximum density for syrup used in sweet cherries is reduced from 25.9 degrees to 24.9 degrees.

The amendment corrects a transposition of figures which occurred in a previous regulation setting maximum Brix requirements for plums and prunes. The new permitted maximum syrup densities for these canned fruits are 25.9 degrees for canned prunes and 20.9 degrees for canned plums.

The revised maximum Brix cut out in which specified fruits may be packed is as follows:

	Degrees
Plums	20.9
Figs	20.9
Raspberries and all other berries (excluding cranberries)	27.9
Prunes	25.9
Cherries (sweet)	24.9
Blackberries	23.9
Peaches (Elberta)	23.9
Apricots	20.9
Peaches (all other)	18.9
Fruit cocktails	17.9
Pears	17.9

The provision as to the number of cut out tests is also amended to read as follows:

"In addition, he must keep records of all the Brix cut tests as customarily made, but for each lot of each grade packed with sugar these tests shall not be less than one can per thousand cases on can sizes No. 2½ or smaller, and one can per six hundred cases on can sizes larger than No. 2½."

Previously the number of tests required was set at one can per thousand

cans for No. 2½ or smaller size cans, and one can per six hundred cans for cans larger than No. 2½.

VEGETABLES FOR CANNING

BAE Reports Acreage Increases for 7 Crops Grown for Processing

An increase in the 1945 production of green peas and snap beans for processing over last year's production is indicated in reports issued this week by the U. S. Bureau of Agricultural Economics. The reports also indicate a slight increase over 1944 in the planted acreage of tomatoes for processing and from 2 to 32 per cent increases in the planted acreages of green lima beans, cabbage for kraut, beets, and pimientos. These reports, which are based on July 1 conditions, are summarized briefly as follows:

Green Peas

Since June 15 the 1945 production prospects for green peas for processing has improved about 4 per cent. On the basis of July 1 conditions and probable yield per acre, a production of 462,540 tons is in prospect, or about 22 per cent above 1944 and 61 per cent above the 1934-43 average. It exceeds the previous record high production in 1942 by 8 per cent.

On July 1 the indicated yield was 1,803 pounds per acre, compared with 1,730 pounds in 1944 and an average of 1,604 pounds for the 1934-43 period. The following table shows the indicated 1945 production as compared with the actual 1944 production, by States:

State	1944 Tons	1945 ind. Tons
Maine.....	4,350	4,430
New York.....	39,500	39,080
New Jersey.....	3,990	4,200
Pennsylvania.....	15,170	22,770
Ohio.....	4,210	5,520
Indiana.....	3,640	8,910
Illinois.....	12,310	17,340
Michigan.....	8,470	8,260
Wisconsin.....	114,400	130,820
Minnesota.....	18,480	37,700
Iowa.....	1,720	3,040
Maryland.....	10,650	11,160
Delaware.....	2,070	3,180
Virginia.....	1,600	1,940
Colorado.....	4,350	4,640
Utah.....	24,300	22,820
Washington.....	48,440	58,200
Oregon.....	46,220	56,100
California.....	4,330	4,470
Other States.....	11,800	17,930
Total.....	380,000	462,540

Snap Beans

Production of snap beans for canning and freezing in 1945, based on reports received from processors on the condition of the crop on July 1 and probable yield per acre, is estimated at 251,300

tons, which is 11 per cent greater than in 1944 and 92 per cent above the average for the 1934-43 period. July 1 conditions indicated a yield of 1.60 tons per acre, as compared with 1.46 tons in 1944 and an average of 1.67 tons for the 1934-43 period. The following table shows the indicated production in 1945 as compared with the actual production in 1944, by States:

State	1944 Tons	1945 ind. Tons
Maine.....	5,800	9,000
New York.....	27,600	41,400
Pennsylvania.....	7,900	8,800
Indiana.....	1,200	900
Michigan.....	9,000	9,500
Wisconsin.....	14,300	17,000
Delaware.....	1,500	2,200
Maryland.....	15,600	16,900
Virginia.....	6,000	7,400
North Carolina.....	4,700	8,400
South Carolina.....	3,800	5,300
Georgia.....	1,000	2,600
Florida.....	16,200	13,000
Tennessee.....	7,800	10,400
Mississippi.....	2,300	2,100
Arkansas.....	18,700	20,000
Louisiana.....	2,800	2,700
Oklahoma.....	11,600	8,800
Texas.....	13,100	9,100
Colorado.....	3,500	4,200
Utah.....	2,100	2,000
Washington.....	7,600	9,900
Oregon.....	27,900	23,800
California.....	6,600	5,900
Other States.....	8,100	10,000
Total.....	226,700	251,300

Tomatoes

Tomato growers and processors have apparently planted about the same acreage for 1945 as for 1944. The 1945 acreage will total 600,950 acres, as compared with 598,980 acres in 1944 and an average of 480,000 acres for the 1934-43 period. The following table shows the preliminary estimates of acreage, by States:

State	1944 Acres	1945 Acres
New York.....	24,900	25,700
New Jersey.....	36,100	36,800
Pennsylvania.....	36,500	38,000
Ohio.....	26,300	28,400
Indiana.....	109,200	114,700
Illinois.....	11,900	13,800
Michigan.....	6,800	7,600
Iowa.....	3,600	3,500
Missouri.....	16,000	14,400
Delaware.....	15,000	14,700
Maryland.....	63,000	59,700
Virginia.....	37,000	37,000
Kentucky.....	5,400	4,100
Tennessee.....	6,500	5,100
Arkansas.....	18,000	16,900
Colorado.....	5,200	5,900
Utah.....	8,200	7,800
California.....	132,180	127,000
Other States.....	35,200	39,850
Total.....	598,980	600,950

Green Lima Beans

The 1945 plantings of green lima beans for canning and freezing are estimated at 71,100 acres, as compared

with 65,600 acres in 1944 and an average of 49,640 acres for the 1934-43 period. In Pennsylvania the acreage planted this year is more than twice as large as in 1944. The following table shows the plantings, by States:

State	1944 Acres	1945 prelim. Acres
New York.....	900	1,300
New Jersey.....	13,600	16,000
Pennsylvania.....	1,500	3,500
Ohio.....	1,300	1,800
Michigan.....	3,600	3,500
Wisconsin.....	3,100	3,700
Delaware.....	11,600	12,800
Maryland.....	3,100	3,900
Virginia.....	3,200	2,900
Utah.....	900	400
Washington.....	900	800
California.....	4,700	3,600
Other States.....	17,800	16,900
Total.....	65,600	71,100

Cabbage for Kraut

The preliminary estimate of the 1945 acreage of cabbage for sauerkraut is 19,300 acres, according to reports from kraut packers giving information on their contract acreages and probable purchases on the open market. This is an increase of about 8 per cent over 1944. Kraut packers report a contracted acreage for this year of 11,100 acres, or about 57 per cent of the total kraut acreage. The following table shows the estimated acreage, by States:

State	1944 Acres	1945 prelim. Acres
New York.....	7,100	7,500
Ohio.....	2,200	2,000
Indiana.....	700	500
Illinois.....	210	200
Michigan.....	600	800
Wisconsin.....	4,800	5,000
Minnesota.....	240	300
Colorado.....	200	200
Washington.....	280	400
Other States.....	1,500	2,400
Total.....	17,830	19,300

Pimientos

The 1945 plantings of pimientos in Georgia for processing are estimated at 8,500 acres as compared with 6,400 acres in 1944. The California estimated plantings are 420 acres as compared with 300 acres in 1944. The total estimated plantings in 1945 are 40 per cent less than the average for the 1934-43 period. Conditions in general have been favorable for the growing crop.

Beets

Preliminary estimates of the acreage of beets for canning in 1945 shows an increase of about 2 per cent over 1944. Canners and growers of beets in New York have increased their acreage by 10 per cent, and in Wisconsin the 1945

acreage is estimated at 5 per cent above 1944. Expansion in these two States is sufficient to more than offset the reduction in other regions. The following table shows the plantings by States:

State	1944 Acres	1945 prelim. Acres
New York.....	6,000	6,000
New Jersey.....	330	300
Indiana.....	250	200
Michigan.....	1,800	1,700
Wisconsin.....	6,000	6,300
Oregon.....	2,000	1,600
Other States.....	3,200	3,300
Total.....	19,580	20,000

FRUIT CROP EXPECTED TO FALL 13% SHORT OF 1944

Small Apple and Cherry Prospects Offset Apparent Large Crops of Other Fruits

For the eight major deciduous fruits (apples, peaches, pears, grapes, cherries, plums, prunes and apricots) the aggregate production in prospect for 1945 is 13 per cent less than production in 1944 and 3 per cent less than average, the U. S. Department of Agriculture states in its July crop production report. Record short crops of apples and sour cherries more than offset a record high peach production and large crops of pears, grapes, sweet cherries, and prunes. By regions, prospective fruit production is large in the West and Southeast and generally small from Virginia north, and in the States bordering the Great Lakes.

Condition of citrus crops on July 1 was above average in California, Arizona, and Texas but considerably below average in Florida. However, the extended drought in Florida citrus areas was broken by heavy rains the third week in June, improving production prospects. In the Texas citrus area, a critical shortage of moisture is developing. Production prospects for the various fruits are summarized in the following report:

Commercial Apples—The Nation's apple crop in commercial areas was indicated on July 1 to be 60,962,000 bushels—a record low production and 21 per cent below the small 1943 crop of 80,050,000 bushels. The 1944 crop totalled 124,754,000 bushels and the 10-year (1934-43) average is 119,301,000 bushels. In the East and mid-West the production prospect is very poor—the combined production for these areas appears to promise only about 36 per cent of the 1944 harvest. In the West, prospective production is 6 per cent below average and about 10 per cent smaller than last year's large crop. Based on July 1 conditions, 50

per cent of the country's commercial apple crop will be produced in the Western States in contrast to 37 per cent in 1944 when both the East and West had above average crops.

Peaches—The 1945 peach crop, estimated at 80,369,000 bushels on July 1, is a record high and compares with 77,846,000 in 1931, the previous record production. The 1944 crop totalled 75,963,000 bushels and the 10-year (1934-43) average is 57,201,000. Production varies greatly by regions, with a record high for the 10 Southern States and large crops in the West and mid-West, but short crops in most of the Middle Atlantic States. June conditions were generally favorable for peaches and the July estimate is more than 2,000,000 bushels above that of a month ago. Increases occurred in all groups of States except the Middle Atlantic.

Pears—Production of pears was estimated at 32,861,000 bushels—about 3 per cent larger than last year's crop of 31,956,000 bushels and 15 per cent more than the 10-year (1934-43) average production. Prospects in the Western and Southern States continue excellent while in the North Central and North Atlantic States prospects continue to be poor. In the three Pacific Coast States, where about three-fourths of the nation's pears are usually grown, a record combined production of 25,851,000 bushels is indicated. If realized, this will be 10 per cent more than the 1944 crop and 30 per cent more than average. The Bartlett crop in these three States is indicated to be 20,043,000 bushels compared with 17,846,000 bushels in 1944 and 14,695,000 bushels average, while other pears in these States are now placed at 5,808,000 bushels compared with 5,590,000 bushels last year and 5,237,000 bushels average.

Plums and Prunes—Production of plums in California and Michigan was estimated at 72,700 tons. This compares with last year's record production of 98,200 tons and the 10-year (1934-43) average of 71,130 tons. Estimated production for California this year of 71,000 tons compares with 92,000 tons in 1944, 76,000 tons in 1943 and the 10-year average of 66,200 tons. The 1945 crop of prunes for all purposes in Washington, Oregon and Idaho on July 1 was estimated at 151,200 tons (fresh basis) compared with 110,300 tons for 1944 and the 10-year average of 142,930 tons.

Apricots—California apricot production was estimated on July 1 at 180,000 tons—2 per cent smaller than indicated on June 1 and compares with last season's record crop of 324,000 tons, and the 10-year (1934-43 average of 197,700

tons. Fruit from the first pick is of much smaller size than last season. It appears that a larger than usual proportion of the crop will go for canning and freezing this season with a reduction in the proportion dried.

Apricot prospects in Washington continue favorable. Production is now estimated at 24,800 tons—only slightly smaller than the record crop of last season. Fruit was more effectively thinned than in previous years, and sizes are expected to run a little larger than last season, especially for the Moorepark variety.

Utah apricot production—estimated at 8,600 tons—is 9 per cent smaller than indicated on June 1. Production in 1944 was 5,900 tons and the 10-year average, 4,005 tons. The Utah county crop has a very heavy set and fruit is sizing well but in other areas of the State, prospects are not as favorable, due mainly to frosts and hail.

Cherries—Production of all varieties of cherries in the 12 commercial States on July 1 was estimated at 127,500 tons—37 per cent less than the 1944 crop of 202,000 tons, and 17 per cent below the 10-year (1934-43) average of 153,141 tons. The sweet cherry crop was estimated at 90,190 tons—6 per cent more than the 1944 production of 85,360 tons. Sour cherry production at 37,310 tons is a record low as a result of spring freezes and poor pollination weather in the main producing Great Lakes States. Production in 1944 totalled 116,790 tons and in 1943 the crop was a previous record low of 42,660 tons.

Figs and Olives—California figs have made good development to date and show prospects of a relatively good production. Harvest of the first crop of Black Missions is underway and they are being marketed as fresh figs. This first crop is heavy and of good quality. Other varieties have made good development except Callimyrnas which are carrying a relatively light set of fruit but should be of good quality. Condition of California olives declined materially during June. Shedding of fruit forms was exceedingly heavy and present indications point to a crop somewhat smaller than last season.

Cranberries—In Massachusetts cranberries are blossoming well and crop prospects appear to be very good. Excessive rains of the past two months may have some detrimental effects. Present prospects in Washington point to a slightly larger crop than last year. In Wisconsin, below-normal temperatures during April, May, and June have reduced prospects to some extent. A New Jersey crop about the same size as that harvested last year appears in prospect.

Sugar Distribution Stocks

Distribution of sugar in the United States during the first five months of 1945 totaled 2,961,616 short tons, as compared with 2,747,543 tons during the corresponding period in 1944, the U. S. Department of Agriculture reported on July 9. Of this distribution, 186,462 short tons were delivered for export during the five-month period this year and 198,511 in a similar period in 1944. Sugar for export included deliveries for liberated areas, lend-lease, and military relief, but not for usage by U. S. expeditionary forces. The following table shows the distribution by the various groups of distributors:

Distributors	Jan.-May 1945 Tons	Jan.-May 1944 Tons
Refiners' raw.....	2,810	3,461
Refiners' refined.....	2,370,149	2,108,713
Beet processors.....	387,071	406,721
Importers.....	157,990	161,980
Mainland cane mills.....	43,656	66,666
Total.....	2,961,616	2,747,543
For export.....	186,462	198,511
For U. S. consumption.....	2,775,154	2,549,032

Sugar stocks on May 31, 1945, as compared with May 31, 1944, and reported by primary distributors, are shown in the following table. Refiners' raw includes 28,630 tons of sugar in the United States on May 31, 1945, and 51,400 tons on the same date in 1944 but not reported by refiners as stocks on those days:

	1945 Tons	1944 Tons
Refiners' raw.....	281,857	442,234
Refiners' refined.....	137,633	320,907
Beet processors.....	381,088	465,222
Importers.....	7,040	84,487
Mainland cane factories.....	20,549	30,770
Total.....	828,167	1,343,620

Gulf Seafood Production Up

Production of most seafoods by fisheries of the Gulf coast showed definite gains during the first half of the year compared with the first six months of 1944, Coordinator of Fisheries Harold L. Ickes reported this week.

Shrimp, the most valuable seafood product of the South, was up 16 per cent in the States from Alabama to Texas, inclusive, the Coordinator said. A total of 85,183 barrels of shrimp were received for canning and other purposes, compared with receipts of 73,340 barrels last year.

Production of hard crabs during the six-month period increased from 5,008,928 pounds in 1944 to 6,506,022 pounds this year. Production of soft crabs, a minor item, dropped from 16,252 dozen to 7,688 dozen. Fresh-

cooked crab meat, however, increased from 436,908 pounds to 600,383 pounds.

The only major item to show a decline was oysters. Production during the first six months of 1944 was 450,306 barrels; in 1945, 395,477 barrels. The bulk of the southern oyster production is canned.

Frozen Rosefish Ceilings Issued

A maximum price of 6½ cents per pound has been established for processors' sales of frozen round rosefish to wholesalers, the Office of Price Administration announced July 12 by Amendment 7 to Maximum Price Regulation 579, effective July 16. Previously, there was no specific maximum price in effect for this item because it was not generally sold in this style of dressing, OPA said. Because of recent heavy landings of rosefish, processors have been unable to fillet all their receipts, and are now freezing the fish in the round style.

The amendment also establishes maximum prices for all distributors of fresh and frozen dressed lemon sole. Maximum prices for dressed lemon sole are in line with those already in effect for lemon sole sold in the round style of dressing, OPA said.

Alaska Salmon Pack Report

The first report on the early season pack of salmon in Alaska, released this week by U. S. Fish and Wildlife Service, indicates a pack of 328,036 cases by June 30, or slightly below the average production of the past five years. The pack to the end of June, which represents only the first scattered salmon fishing activity in the Territory, comprised 236,181 cases packed in Central Alaska, 77,116 cases in Western Alaska, and 14,739 cases in Southeastern Alaska, it was announced. Last year on approximately the same date, only 222,075 cases had been packed.

The following figures show the pack by regions and varieties through June 30, 1945, as compared with a similar period in 1944:

Districts	June 30, 1945 Cases	July 1, 1944 Cases
Western Alaska.....	77,116
Central Alaska.....	236,181	198,360
Southeastern Alaska.....	14,739	23,715
Total.....	328,036	222,075
Species		
Red.....	275,643	166,273
Pink.....	6,767	7,925
Chum.....	21,667	25,477
Coho.....	130	85
King.....	24,409	22,315
Total.....	328,036	222,075

Vegetable Oils for Fish Limited

The U. S. Department of Agriculture has limited the use of quota-free vegetable oils by fish canners to the production of canned tuna, bonito, yellow tail, and sardines. The action was taken under Amendment 17 to WFO 42, effective July 12, 1945.

A previous amendment to WFO 42 provided for the use of quota-exempt vegetable oil in canning all types of fish, but the present amendment clarifies the order by listing the fish that may be canned with quota-free oils.

Dry Bean and Pea Acreage

Farmers are reducing their 1945 plantings of dry beans to about the level planted before the present war, the U. S. Bureau of Agricultural Economics reported this week. Some acreage is being planted rather late, and production will probably be about 15 million bags (uncleaned), which would ordinarily be equivalent to nearly 14 million bags cleaned. This year's planted acreage for the U. S. is 1,976,000 acres, 11 per cent less than the 2,228,000 acres planted in 1944 and 4 per cent less than the 10-year (1934-43) average of 2,068,000 acres.

A total of 6½ million bags of dry peas (100 pounds, uncleaned basis) will be harvested this year, according to present indications. While this is more than 2 million bags short of last year's crop, the 1945 crop would still be more than double the pre-war average production. The indicated planted acreage of 533,000 for 1945 is far below the record acreages planted in 1943 and 1944. This year's planted acreage is still well above the 10-year (1934-43) average planted acreage of 375,000.

Errors in Set-aside Order

The dates appearing in the definition for "base period" listed in § 1425.12, paragraph (3) of War Food Order 22.8, should read "from January 1, 1943, to December 31, 1944, both inclusive." The dates used in the order and reprinted in last week's LETTER were in error.

The total set-aside percentage for tomatoes listed in Column D of Table I of War Food Order 22.9 should read "63" instead of "53" as printed in the order and reprinted from the order in last week's INFORMATION LETTER.

Details of USDA Dry Bean and Pea Support Program Named

The U. S. Department of Agriculture has announced details of a five-point program to effectuate support prices for 1945-crop dry edible beans. The program closely parallels the one employed during the past year for the 1944 crop. The five points are:

1. Price supporting agreements with bean dealers under which they agree to pay the equivalent of the support price to growers.

2. Payment of a subsidy to dealers in an amount by which the announced support prices exceed the applicable Office of Price Administration maximum prices on beans sold into civilian trade channels.

3. Purchase of designated classes of beans in carload lots, cleaned and bagged, f.o.b. car at country shipping points, at specified prices.

4. Purchase of thrasher-run beans from growers where it is not possible for them to dispose of their beans through trade channels at the equivalent of the support prices.

5. Non-recourse loans on thrasher-run beans stored on farms.

The classes and grades of beans to be supported, and the support prices are as follows:

U. S. No. 1 beans: Pea, medium white, great northern, small white, flat small white, pink, small red and western cranberry—\$6.75 per 100 pounds; cranberry other than western—\$6.40 per hundred; California blackeye—\$6.20 per hundred; lima and baby lima—\$7.75 per hundred; pinto—\$6.00 per hundred; light red kidney—dark red kidney—and western kidney—\$8.40 per hundred.

U. S. choice hand-picked, and U. S. Extra No. 1 beans will be supported at 10 cents per hundred pounds more than applicable prices for the same classes of U. S. No. 1 beans. U. S. No. 2 beans, on the other hand, will be supported at 15 cents per hundred pounds less than the listed prices for the same classes of U. S. No. 1 beans.

Under USDA dealer agreements, the dealers would pay growers of eligible beans not less than the applicable support price, minus the maximum processing and merchandising charges prescribed in the agreement. USDA will pay dealers, on eligible beans sold and delivered into civilian consumption channels (in the United States and United States territories except Puerto Rico and the Virgin Islands) a subsidy equal to the difference between the applicable support prices and the processor civilian ceiling prices. Payments will be made through June 30, 1946. Complete details with reference to the subsidy payments are contained in the agreements.

Loans will be made on thrasher-run

beans stored in acceptable warehouses (on farms) or warehouses approved by USDA under the Uniform Warehouse Agreement. The farm stored loans will be made on a note and chattel mortgage basis, and the warehouse loans will be made on a note and loan agreement basis. These loans may be satisfied by repayment of the loan plus interest (3 per cent per annum) and other charges, or by delivery of the beans to USDA at a specified point of assembly or by surrender of the warehouse receipt. Beans stored in the States of Texas, Oklahoma, Louisiana, Arkansas, Mississippi, Alabama, Georgia, Florida and South Carolina are not eligible for loans. County AAA committees will have loan forms and instructions and will determine the quantity and grade of the collateral, the amount of the loan, and will approve all loans.

TAX BILL

(Concluded from page 8695)

ing in any tax year ending after September 30, 1945. The Commissioner of Internal Revenue would be required to act on the application for tentative adjustment within 90 days. A procedure would be fixed to eliminate discrepancies and deficiencies resulting from action on the application.

A similar procedure would apply to refunds resulting from shortened periods of amortization of emergency facilities after issuance of non-necessity certificates.

The Senate Finance Committee has approved the House bill after striking out the special carry-back provision benefiting reorganized railroads. The Senate is expected to begin consideration of the bill on Monday.

PRICING PROGRAM

(Concluded from page 8695)

Supplement 7 as provided by Amendment 1 to Directive 25. In the Northwest, the 1945 adjustment is to cover only the increase in basic wage rates but not the increase resulting from "fringe" adjustments as defined by Mr. Davis. The OPA is developing the factors for adjusting price ceilings for increased wage rates on this basis.

The formal directive covering the entire canned fruit and vegetable pricing program is now in process of preparation and final changes in the proposed regulation are now being made. The OPA expects that the proposed regulation will be in signature channels next week.

Unless unforeseen difficulties are encountered, the 1945 price ceiling regu-

lations covering all canned vegetables and those canned fruits covered by Pricing Method No. 2, except for the later crops such as apples, should be effective some time during the first half of August. The regulations for other California and Northwest fruits will follow shortly thereafter.

Tin Salvage Required by WPB

The War Production Board has issued an amendment to Conservation Order M-325 requiring all manufacturers who use the contents of tin cans in their manufacturing operations to adopt certain tin can salvage measures. A provision in the measure, which became effective July 4, requires that tin cans be salvaged in the following manner:

(c) *Required disposal of certain tin cans.* Any person who, in the course of his business, cuts open tin cans for the purpose of using the contents of such cans in his manufacturing operations or for the purpose of repacking their contents in other containers, or who discards tin cans because the cans or their contents were defective, must deliver all such cans to or for the account of a detinning plant, shredding plant or official salvage committee in a form acceptable to such plant or committee. This restriction shall not apply to those cans which a person intends to reuse or deliver to others for reuse.

Limitation Order 317 Amended

Quota restrictions on the use of new fiber shipping containers for food products have been eased by making the quotas, with certain exceptions, interchangeable for all foods, the War Production Board has announced. The exceptions are meat and meat products, fishery products, dairy products, poultry, eggs, unprocessed fresh fruits and vegetables, and canned or frozen fruits and vegetables. The action was taken in Amendment 4 to Order L-317, effective July 6. Section 3270.6 of the order is amended as follows:

1. The Classes of Products under the general heading of "Food products..." appearing in Schedule III shall be amended to read as follows:

Food products of every description, including, as one Class of Products, all foods (whether or not they were specifically listed as separate Classes of Products in the April 30, 1945 edition of Order L-317), excluding only meat and meat products (which are controlled by Schedule IV), fishery products, dairy products, poultry, eggs, unprocessed fresh fruits and vegetables and processed fresh fruits and vegetables (that is, fruits and vegetables not previously preserved which are packed in a container and are preserved by the medium of heat or freezing)."

THIS WEEK IN CONGRESS

Agreement Reached on FEPC; Bill Introduced in Senate to Investigate OPA

The House and Senate reached an agreement during the week on the controversial item in the War Agencies bill making an appropriation for operations of the Fair Employment Practices Committee. The amendment finally approved gives the FEPC \$250,000 to run until June 1, 1946, or if and until an additional appropriation has been provided.

Only one point remained in controversy after Thursday's action by the House and Senate—the Lea amendment providing that none of the funds appropriated for the National War Labor Board may be used in connection with investigations, orders, directives, etc., concerning bargaining units composed in whole of agricultural laborers. This amendment was stricken out by the Senate, and on Friday eliminated by the House.

Senators Tydings and Capehart have introduced a resolution (S. Res. 153) proposing an investigation of OPA policy on reconversion pricing. The resolution provides for "a full and complete study and investigation with respect to the policies and activities of the Office of Price Administration and the Office of Economic Stabilization in establishing prices for merchandise intended for civilian use and for other commodities, with a view to ascertaining (1) what policies and methods are being followed in the determination of such prices, (2) whether such policies and methods are desirable and proper, and (3) the effect of such policies and methods (a) on the production and the supply of civilian goods and (b) on reconversion to a peace economy, the expansion of industry, and the increase or decrease of employment."

Senator Stewart of Tennessee has introduced a bill (S. 1264) which would amend the Surplus Property Act so as to concentrate authority in the Surplus Property Board, terminate its control by the Director of War Mobilization, and abolish all autonomous disposal agencies now operating under the Board's supervision. Under the bill the Board would have sole charge of disposing of the surplus in prospect but would function only after consultation with the agencies concerned and would be authorized to utilize the services and employees of other agencies.

Senator Fulbright of Arkansas has introduced a bill (S. 1248) proposing the establishment of an office of scientific research for the purpose of developing inventions and making them

available to small business enterprises and returning veterans and to protect inventors against infringement and assure them a fair return for their efforts.

Drastic revision of the Fair Labor Standards Act has been recently proposed by Representative Ellis E. Patterson of Los Angeles, Calif. Mr. Patterson's bill (H. R. 3719), would raise the minimum wage to 75 cents, eliminate all exemptions, including those for agriculture, fisheries and seasonal industries, and provide a uniform time period of five years within which actions for unpaid overtime would have to be started.

An interesting aspect of the bill is the proposed definition of "commerce." The bill would eliminate from the present definition of "commerce" the provisions that bring under the present Act "production for commerce" and activities "necessary to the production of goods for commerce." This would raise a question of the scope of the proposed bill as compared to the present Act.

The Senate Foreign Relations committee began hearings Monday on the San Francisco charter, which President Truman presented in person to the Senate last week, and the Senate Banking and Currency committee reported favorably the Bretton Woods agreements.

Pace Outlines 7-point Program for Food Investigating Group

Representative Stephen Pace of Georgia, in taking over the chairmanship of the special House committee investigating food shortages, issued the following statement in behalf of the committee:

No hearings are scheduled at this time. Continued studies, contacts and conferences will be carried on so that the committee may be kept constantly informed on the food situation throughout the country.

The committee recommended (July 9) that the provisions of the Patman amendment, removing certain quota limitations on slaughterers, be put into effect immediately. This action should materially increase the meat supply.

The future policy of the committee will be governed by the following objectives:

1. To cooperate with and support the Secretary of Agriculture in his efforts to put into effect the recommendations heretofore made by this committee;
2. To secure better cooperation and coordination among the several agencies exercising authority in the production, processing and distribution of food;
3. To secure increased production, abundant production, of those commodities now in short supply and

thereby not only insure an ample supply of food, counteract inflationary tendencies and break the black market, but also hasten the day when supply will equal demand, and controls will no longer be necessary;

4. To investigate and expose black market operations and submit suggestions for combating this menace, which is not only greatly increasing the cost of food, but denies the people an equal share of the limited supply;

5. To investigate all cases of waste, spoilage and excess purchases by the different agencies and submit suggestions for the prevention of such practices;

6. To seek to eliminate those orders, rules and regulations which tend to discourage production, retard distribution and limit supply;

7. To try to secure adoption of the principle that the armed forces have the first claim on our food supplies, that the next claim rightfully belongs to the American people, and that their needs should be met before any shipments to foreign countries are made, except such as are absolutely necessary to meet the call of humanity.

Additional Allowances Set on Packing Canned Whole Hams

Allowances that may be added to maximum prices for packing canned whole hams in nailed solid wood boxes for overseas shipment by war procurement agencies have been announced by the Office of Price Administration. They become effective July 16 in Amendment 6 to Revised Maximum Price Regulation 156, and are in addition to the 50 cents per 100 pounds allowance already in effect for packing or boxing canned whole hams for domestic shipment. The new additional allowances per 100 pounds are:

40 pounds or less.....	\$1.20
More than 40 pounds, less than 70 pounds.....	.95
70 pounds or more.....	.70

The new allowances bring the total allowances up to those already in effect for other canned pork items packed in nailed solid wood boxes, OPA said.

Trial Potato Crop Insurance

The Federal Crop Insurance Corporation has taken under consideration the request of representative potato growers for the establishment of a trial insurance program on potatoes in 1946. Growers' representatives from seventeen states, following conferences with the Corporation, recommended an investment type of insurance contract which would guarantee a contract holder a return up to 75 per cent on his investment in his crop. They also suggested an alternative contract for up to 50 per cent coverage.